

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

Management Representation Letter - Audit - Not-for-Profit

*Richard Ruyter
Town Clerk
7/14/2021*

March 31, 2021

CironeFriedberg, LLP
6 Research Drive
Shelton, Connecticut 06484

We are providing this letter in connection with your audits of the financial statements of Stamford Downtown Special Services District, which comprise the balance sheets as of June 30, 2020 and 2019 and the related statements of revenue, expenditures and changes in fund balances - actual and budget for the years then ended, and related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 31, 2021, the following representations made to you during your audits on behalf of our entity:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 20, 2020, for the preparation and fair presentation of the financial statements and related footnotes in accordance with U.S. GAAP.
- The financial statements include all assets and liabilities under the entity's control. We have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor have any assets been pledged, except as disclosed in the notes to the financial statements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make us vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

Financial Statements (continued)

- We have complied with all contractual agreements, grants and donor restrictions.
- Reclassification between fund balance classes are proper.
- We have disclosed to you the identity of the entity's related parties and all related party relationships and transactions, if any. These relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- With regard to items reported at fair value:
 - (a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - (b) The measurement methods are related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - (c) The disclosures related to fair value are complete, adequate, and in conformity with U.S. GAAP.
 - (d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- Receivables reflected in the financial statements represent unconditional pledges or valid claims against grantors or customers and have been reduced to their estimated net realizable value.
- We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- With respect to the supplementary information accompanying the financial statements, we acknowledge our responsibility for the presentation of the supplementary information in accordance with the same basis of accounting used in the preparation of the financial statements, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- We have asked that your firm draft the financial statements and related footnotes. We have assigned an individual with suitable skill, knowledge and experience to review the draft financial statements and the supporting documentation that you provided, including an adjusted grouping trial balance and other appropriate schedules supporting disclosures in the financial statements and related footnotes. This individual has completed their review and has made any necessary revisions to the financial statements and related footnotes.

Other Information

- We have provided you with:
 - (a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - (b) Minutes of the meetings of the Board of Commissioners, or summaries of actions of recent meetings for which minutes have not been prepared;
 - (c) Additional information that you have requested from us for the purpose of the audit; and;
 - (d) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Other Information (continued)

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - (a) Management;
 - (b) Employees who have significant roles in internal control; or
 - (c) Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We are responsible for compliance with laws and regulations and provisions of contracts and grant agreements, and in our opinion there are no:
 - (a) Violations or possible violations of the above items whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
- We have implemented proper controls to recognize revenue in accordance with Financial Accounting Standards Board Accounting Standards Codification 606, *Revenue from Contracts with Customers*.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
- Our organization is a Special Services District pursuant to Chapter 105(a) of the Connecticut General Statutes and is not subject to federal or state income taxes.
- In regards to the nonattest bookkeeping services performed by you, we have:
 - (a) Made all management decisions and performed all management functions including determining account codings and approving, and if in agreement, posting to the general ledger all proposed adjusting and correcting journal entries.
 - (b) Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 - (c) Evaluated the adequacy and results of the services performed.
 - (d) Accepted responsibility for the results of the services.
 - (e) Established and maintained internal controls, including monitoring ongoing activities.
- Guarantees, whether written or oral, under which we are contingently liable, have been properly recorded or disclosed in the financial statements, if any.
- Management is carefully monitoring the COVID-19 situation and evaluating operations. At this time, the extent to which COVID-19 may impact the Entity's financial condition or results of operations is uncertain, and no adjustments have been made to the financial statements as a result of the uncertainty.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

 **PRESIDENT**
Signature and Title of Chief Executive Officer

 **TREASURER**
Signature and Title of Chief Financial Officer

**STAMFORD DOWNTOWN
SPECIAL SERVICES DISTRICT**

Financial Statements

Years Ended June 30, 2020 and 2019

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

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Independent Auditor's Report

The Board of Commissioners
Stamford Downtown Special Services District
Stamford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Stamford Downtown Special Services District which comprise the balance sheets as of June 30, 2020 and 2019 and the related statements of revenues, expenditures and changes in fund balances - actual and budget for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stamford Downtown Special Services District as of June 30, 2020 and 2019, and the results of its operations and the changes in its fund balances for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules for the years ended June 30, 2020 and 2019, as indicated in the contents to the financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cirone Friedberg, LLP

Shelton, Connecticut
March 31, 2021

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

BALANCE SHEETS
JUNE 30, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash	\$ 758,362	\$ 880,988
Cash Available in STIF Account	544,242	658,949
Total Cash	<u>1,302,604</u>	<u>1,539,937</u>
Receivable - Property Taxes	98,125	76,579
Receivable - Sponsorships and Other	6,934	70,919
Prepaid Expenses	76,468	591,946
Agency Assets	<u>44,703</u>	<u>133,261</u>
Total Assets	<u>\$ 1,528,834</u>	<u>\$ 2,412,642</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 95,539	\$ 191,915
Refundable Advances on Grants	-	136,665
Agency Liabilities	<u>44,703</u>	<u>133,261</u>
Total Liabilities	<u>140,242</u>	<u>461,841</u>
<u>Deferred Inflows of Resources</u>		
Unearned Revenues	82,444	266,502
Unavailable Revenues	<u>98,125</u>	<u>76,579</u>
Total Deferred Inflows of Resources	<u>180,569</u>	<u>343,081</u>
<u>Fund Balance</u>		
Fund Balance - Available for Operations	<u>1,208,023</u>	<u>1,607,721</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,528,834</u>	<u>\$ 2,412,643</u>

See notes to financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues						
Taxation	\$ 2,619,437	\$ 2,602,380	\$ 17,057	\$ 2,445,344	\$ 2,396,919	\$ 48,425
Sponsorships, Grants and Events:						
Local Business and Individuals	1,676,890	1,913,050	(236,160)	1,635,335	1,692,500	(57,165)
State of Connecticut, CT Next and City of Stamford Grants	3,500	10,000	(6,500)	95,250	50,000	45,250
	<u>1,680,390</u>	<u>1,923,050</u>	<u>(242,660)</u>	<u>1,730,585</u>	<u>1,742,500</u>	<u>(11,915)</u>
Security Program - City	105,000	85,000	20,000	85,000	85,000	-
City Beautification Program - City	35,000	35,000	-	35,529	30,000	5,529
Interest	16,935	15,000	1,935	29,991	12,000	17,991
In-kind Contributions:						
Rent	120,000	120,000	-	120,000	120,000	-
Services	120,000	-	120,000	100,000	-	100,000
Total In-kind	<u>240,000</u>	<u>120,000</u>	<u>120,000</u>	<u>220,000</u>	<u>120,000</u>	<u>100,000</u>
Other	39,651	12,000	27,651	17,699	500	17,199
Total Revenues	<u>4,736,413</u>	<u>4,792,430</u>	<u>(56,017)</u>	<u>4,564,148</u>	<u>4,386,919</u>	<u>177,229</u>
Expenditures						
Administrative	1,396,507	1,080,198	316,309	1,050,428	1,050,411	17
Environmental Improvements, Service Management and Security Program	921,107	938,650	(17,543)	888,076	835,129	52,947
Events	2,379,176	2,401,071	(21,895)	2,104,807	2,176,907	(72,100)
Retail Administration, Recruitment and Economic Development	178,191	186,301	(8,110)	185,700	174,460	11,240
New Initiatives	21,130	4,200	16,930	48,903	30,000	18,903
Total Expenditures Before In-kind	<u>4,896,111</u>	<u>4,610,420</u>	<u>285,691</u>	<u>4,277,914</u>	<u>4,266,907</u>	<u>11,007</u>
In-kind:						
Rent	120,000	120,012	(12)	120,000	120,012	(12)
Services	120,000	-	120,000	100,000	-	100,000
Total In-kind	<u>240,000</u>	<u>120,012</u>	<u>119,988</u>	<u>220,000</u>	<u>120,012</u>	<u>99,988</u>
Total Expenditures	<u>5,136,111</u>	<u>4,730,432</u>	<u>405,679</u>	<u>4,497,914</u>	<u>4,386,919</u>	<u>110,995</u>
(Deficiency) Excess of Revenues Over Expenditures	(399,698)	\$ 61,998	\$ (461,696)	66,234	\$ -	\$ 66,234
Fund Balance - Available for Operations - Beginning of Year	1,607,721			1,541,487		
Fund Balance - Available for Operations - End of Year	\$ 1,208,023			\$ 1,607,721		

See notes to financial statements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF OPERATIONS

The Stamford Downtown Special Services District (District) was established in 1991 by a majority vote of the designated property owners as a Special Services District under an applicable City of Stamford Ordinance enacted pursuant to Chapter 105a of the Connecticut General Statutes. The purpose of the statute is to enable property owners a mechanism which provides coordinated promotion, enhancement and economic growth for the downtown Stamford retail and general business environment. Property owners elect a Board of Commissioners who prepare a program of work aimed at achieving the collective goals and shared vision of the downtown property owners.

Active operations commenced in 1992 with the imposition of the initial special levy upon the assessed valuation of real property within the District by the City of Stamford (City).

Revenues of the District consist of property taxes, interest on past due taxes, grants, contributions, and sponsorships. The contributions are qualified contributions in accordance with Section 170(c)(1) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the modified accrual basis of accounting using accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to quasi-governmental units. Under this method of accounting, revenues are recognized in the period in which they are susceptible to accrual, i.e., become measurable and available. The District considers as measurable and available those revenues billed or collected prior to the current year-end or collected subsequent to year-end within sufficient time to finance current operations. Revenues not considered measurable and available are reflected as deferred inflows of resources - either unearned revenue - events, or unavailable revenue - property taxes. Expenditures applicable to future events are reflected as prepaid expenses and are reflected in the period in which the liability is incurred.

For events that span the year end, the District has allocated sponsorship income and related event expenses between the years based either upon the number of events to be held or the time period of the event.

District Budget and Tax Levy

On or before June 30 of each year, the District's Board of Commissioners:

- (i) Adopts an annual budget and files the budget with the Director of Administration of the City. The annual budget may be amended as provided in the bylaws of the District. Amended budgets must be filed with the Director of Administration within fifteen (15) days of adoption.
- (ii) Recommends to the Board of Representatives of the City a tax levy for the District to be imposed in addition to the City's regular property tax levy.

It is the obligation of the City to impose and collect this additional levy for the benefit of the District.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Accounting Standard

Effective July 1, 2019, the District adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2014-09: *Revenue from Contracts with Customers* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs related to Topic 606 replaced most existing revenue recognition guidance in U.S. GAAP. Topic 606 also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services.

The District adopted Topic 606 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch up adjustment recognized upon adoption. As such, comparative information in the District's financial statements has not been restated and continues to be reported under the accounting standards in effect for that period. Management's analysis of various provisions of Topic 606 resulted in no significant changes in the way the District recognizes revenue, and therefore, there was no cumulative adjustment for the year ended June 30, 2019. The presentation and disclosures of revenue have been enhanced in accordance with Topic 606.

Revenue Recognition - Property Taxes

The District's property tax is levied each July 1 on the assessed value listed as of the preceding October 1 as determined by the City. Real property taxes are due and payable in two installments, July 1 and January 1. Delinquent taxes are levied by the City each year prior to May 31. The City collects property taxes assessed on behalf of the District.

Property tax is recorded when its measurable and collectible.

Events

The District records revenues from events at a point in time, when the events occur.

Receivables

Receivables are periodically evaluated for collectability based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectability. In the opinion of management, all accounts for which the collectability is doubtful have been written off and the remaining accounts are deemed to be collectible, or reflected within deferred inflows of resources.

Marketing and Advertising Expenses

The District expenses marketing and advertising expenses in the period of benefit. Any amounts paid and not recognized as expense are reflected in the accompanying financial statements as prepaid expenses.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment

The District's policy is to expense during the year the cost of computers and other office equipment items purchased.

Refundable Advances on Grants and Sponsorships Received in Advance

Refundable advances on grants consists of payments received on grants in excess of expenditures incurred.

For events that span the year end, the District has allocated sponsorship revenue and related event expenses between the years based either upon the number of events to be held or the time period of the event. Revenues applicable to the succeeding year are reflected as refundable advances and expenses related to events to take place in the succeeding year are reflected as prepaid expenses.

Contributed Services and Facility

Goods and services have been provided by various organizations and a number of unpaid volunteers have contributed their time to the District. Contributions are recognized if the goods or services received either (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

During the years ended June 30, 2020 and 2019, various City departments, including police, fire and sanitation, and local businesses and community volunteers contributed goods and services to the District which have been reflected as an in-kind contribution and a corresponding in-kind services expense in the estimated amounts of \$120,000 and \$100,000 for the years ended June 30, 2020 and 2019, respectively.

Additionally, the District leases its office space at a value which is deemed by the landlord to be a below market-value lease and has reflected an in-kind contribution and a corresponding in-kind rent expense amounting to \$120,000 for each of the years ended June 30, 2020 and 2019, for the difference between a market-value lease and the rental amount.

Income Taxes

The District is a Special Services District pursuant to Chapter 105a of the Connecticut General Statutes and, accordingly, is not subject to federal and state income taxes.

Compensated Absences

Employees are entitled to paid vacations and sick days depending on job classification, length of service and other factors. The District's policy does not provide for a carryover from one year to the next of unused vacation days, and unused vacation days are not compensated. Unused sick days are not allowed to be carried over after the end of the year nor will an employee be paid for any accrued unused sick time upon separation from employment.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP applicable to quasi-governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 31, 2021, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

NOTE 3 - CONCENTRATION OF RISK

Cash

The District maintains all cash accounts at one community bank. The cash accounts are insured up to \$250,000 per bank, by the Federal Deposit Insurance Corporation. At times during the year, the cash balances in the accounts may have exceeded the insured limits. The Company believes it is not exposed to any significant credit risk on cash.

Revenue and Receivables

Revenues and any related receivables are primarily derived from the tax assessments and event sponsorships received from the businesses within the District and from cash and in-kind support from the City.

NOTE 4 - CASH AVAILABLE IN STIF ACCOUNT

Cash available in the State of Connecticut Short-Term Investment Fund (STIF) account at June 30, 2020 and 2019, was comprised of taxes collected by the City on behalf of the District, but not yet remitted to the District. These funds, and interest earned thereon, are held by the City in the name of the District in the general fund in a special account for the benefit of the District. Funds in the STIF account are transferred to the District's operating bank account upon written request by the District to the City.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 - PREPAID EXPENSES, REVENUES AND UNAVAILABLE REVENUES

Prepaid expenses, unearned revenues and unavailable revenues at June 30 were as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Prepaid Expenses</u>	<u>Unearned Revenues</u>	<u>Prepaid Expenses</u>	<u>Unearned Revenues</u>
Insurance	\$ 30,639	\$ -	\$ 62,107	\$ -
Farmers Market	-	-	1,890	4,675
Alive @ Five	-	-	175,333	95,299
Sculpture Exhibit	8,175	32,444	96,466	108,176
Arts and Crafts Show	-	-	2,275	19,482
Jazz-Wednesday Night	-	-	102,594	18,070
Grants - Portal	-	-	142,083	-
Holiday Parade 19/20	-	50,000	-	20,000
Bark in the Park	-	-	1,013	800
Grand Summer Night	-	-	4,852	-
Miscellaneous	<u>37,654</u>	<u>-</u>	<u>3,333</u>	<u>-</u>
 Total	 <u>\$ 76,468</u>	 <u>\$ 82,444</u>	 <u>\$ 591,946</u>	 <u>\$ 266,502</u>

	<u>2020</u>	<u>2019</u>
<u>Unavailable Revenues</u>		
Property Taxes	<u>\$ 98,125</u>	<u>\$ 76,579</u>

NOTE 6 - LIQUIDITY

The District regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2020 and 2019 the following financial assets are available to meet annual operating needs of the years 2021 and 2020, respectively:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 1,302,604	\$ 1,539,937
Receivable - Property Taxes	98,125	76,579
Receivable - Sponsorships and Other	<u>6,934</u>	<u>70,919</u>
 Financial Assets Available to Meet General Expenditures over the Next Year	 <u>\$ 1,407,663</u>	 <u>\$ 1,687,435</u>

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 7 - SECURITY PROGRAM AND CITY BEAUTIFICATION PROGRAM

The District's security program is a service to provide security patrols in the City's downtown business area. Funding for the security program is provided by the City and local businesses.

The District's city beautification program provides for the purchase and maintenance of various beautification items.

The District has a contract with a company to provide security services on behalf of the District. The contract was for an initial term of one year and expired in April 2019, at which time the contract was extended by written agreement through April 2020, with the same terms and conditions as the original contract. The contract may be extended for one additional term of one year upon written agreement of the parties. The fee for these services is based on the hourly billable rates for the employees of the contractor, not to exceed a maximum annual amount of \$400,000. Upon expiration in April 2020, the parties continued operating under the contract on a month to month basis for the months of May 2020 and June 2020. Payments to this contractor amounted to approximately \$392,600 and \$395,800 for the years ended June 30, 2020 and 2019, respectively. The parties renewed the agreement and amended the pricing for a period of one year beginning on July 1, 2020 through June 30, 2021. At the end of the initial term, the contract may be renewed each year with requested changes to contract submitted no later than April 30th of each year. The fee for these services is based on the hourly billable rates for the employees of the contractor, not to exceed a maximum annual amount of \$425,056.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The District sponsors an employee retirement plan, whereby discretionary contributions are made for eligible employees under a simplified employee pension (SEP) arrangement. Contributions for employees during the years ended June 30, 2020 and 2019 amounted to \$65,073 and \$56,267, respectively.

NOTE 9 - LEASED PREMISES

The District leases its office space on a month-to-month basis. The Chairman of the board is the VP of Operations of the company that owns this office space. The lease provides for a monthly rental of \$1. The District has reflected an in-kind contribution from the landlord and a corresponding in-kind rent expense of \$120,000 for each year. This lease may be terminated by either party with 30-day's notice.

NOTE 10 - AGENCY ASSETS AND LIABILITIES

The District acts as agent for downtown district restaurants in coordinating joint advertising and the Bedford Trash Co-op. The District collects fees for these services from the restaurants and makes disbursements to the vendors. Separate bank accounts are maintained for these agency arrangements.

STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 - AGENCY ASSETS AND LIABILITIES (CONTINUED)

The balances in the accounts at June 30 were as follows:

	<u>2020</u>	<u>2019</u>
Stamford 375	\$ -	\$ 23,835
Stamford Tables	32,570	30,624
Bedford Trash Co-op	12,133	7,840
CT Next, LLC - Stamford Veterans		
Park Partnership, Inc.	-	4,940
Stamford Innovations	-	66,022
Total	<u>\$ 44,703</u>	<u>\$ 133,261</u>

NOTE 11 - REVENUES FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenue

For the years ended June 30, 2020 and 2019, revenue recognized for goods and services for Alive at Five, Wednesday Night Live, Grand Summer Night/Friends, Brews on Bedford/Winefest, Retail Pop Up and Crafts provided at a point in time, amounted to \$823,570 and \$778,266, respectively.

The District's revenues, results of operations, and cash flows are affected by a wide variety of factors, including general economic conditions, geographical regions of its customers, type of customer, type of contract, and contract duration.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Consulting

During the year ended June 30, 2019, the District entered into a consulting agreement for the period July 1, 2020 through December 31, 2020. The balance outstanding for the consulting services as of June 30, 2020 was \$221,375, which has been fully expended as of December 31, 2020. The expense incurred during the year ended June 30, 2020 is included in administrative expenses on the statements of revenues, expenditures and changes in fund balances.

COVID-19

The COVID-19 outbreak is disrupting supply chains and affecting production and revenues across a range of industries and not-for-profit organizations. The extent of the impact of COVID-19 on the operational and financial performance of the District will depend on certain developments, including the duration and spread of the outbreak, duration of limitations on capacity for indoor and outdoor events, impact on the District's clients, donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID 19 may impact the District's financial condition or operations is uncertain. Management plans on having all major events for the year ended June 30, 2021.

SCHEDULE 1**STAMFORD DOWNTOWN SPECIAL SERVICES DISTRICT****SCHEDULES OF SPONSORSHIPS, GRANTS AND EVENTS REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Holiday Parade/Tree Lighting	\$ 407,129	\$ 386,770	\$ 20,359
Sculpture Exhibit	146,094	185,620	(39,526)
Alive @ Five	619,839	602,845	16,994
Annual Meeting	9,855	71,908	(62,053)
Wednesday Night Live	175,436	210,888	(35,452)
Brews on Bedford/WineFest	2,688	29,853	(27,165)
Other Sponsorships and Events	<u>315,849</u>	<u>147,451</u>	<u>168,398</u>
Local Business and Individuals	<u>1,676,890</u>	<u>1,635,335</u>	<u>41,555</u>
State Grant	-	3,750	(3,750)
City of Stamford Grant	-	16,500	(16,500)
CT Next Grant	-	75,000	(75,000)
Other Grants	<u>3,500</u>	<u>-</u>	<u>-</u>
State of Connecticut and City of Stamford Grants	<u>3,500</u>	<u>95,250</u>	<u>(95,250)</u>
Total	<u>\$ 1,680,390</u>	<u>\$ 1,730,585</u>	<u>\$ (53,695)</u>

SCHEDULE 2**SCHEDULES OF EVENT EXPENDITURES
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Holiday Parade/Tree Lighting	\$ 430,079	\$ 382,854	\$ 47,225
Sculpture Exhibit	124,000	174,503	(50,503)
Alive @ Five	812,562	634,187	178,375
Wednesday Night Live	396,273	355,396	40,877
Brews on Bedford/WineFest	4,221	17,034	(12,813)
Other Events	<u>612,041</u>	<u>540,833</u>	<u>71,208</u>
Total	<u>\$ 2,379,176</u>	<u>\$ 2,104,807</u>	<u>\$ 274,369</u>